

Revision of Building Division Fee Schedules

April 27, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Attached are the current and proposed fee schedules for building permits (Attachment 1).

We are proposing a revision to the fee schedules for building permits. The fees need to be adjusted and simplified in order to improve the efficiency and functionality of our permitting software. This change will also bring the building division one step closer to online permitting and inspection requests. I have also clarified and included some fees that were not formally part of the prior schedule.

We are also proposing a reduction in the fee for building permits because our fund balance is nearing the upper end of the commission approved range. However, I do so with much trepidation. The state construction code fund is an enterprise fund, expected to support itself with fees for service. It wasn't long ago, the fund had to be assisted by a transfer from the general fund. At the same time, many of my employees were laid off. I never want to see that happen again.

As we pulled out of the recession and building activity resumed, we were able to repay the general fund and our financial situation is strong. However, it isn't as good as a cursory look at the balance sheet would suggest. When a permit is pulled and fee paid, we currently book the full amount as revenue of the period in which it is received. A lot of permits require inspections that occur in the following fiscal year. Many of our larger permits involve work that spans three or more fiscal years. There is a currently unrecognized liability to perform future inspections for which we have already been compensated that should be recorded. We plan to change this as we complete the current fiscal year and it will likely require a prior period adjustment as well.

Never-the-less, we are recommending a reduction in the fee schedule. This is the first time these fees have been changed since 2009. We will be monitoring permit revenue very closely and will be requesting the fees be increased if revenues are not adequate.

The following resolution is recommended for approval:

Be it resolved, the city commission hereby adopts the proposed fee schedule for building permit fees.

Respectfully submitted,
Jason Craig
Building Official

Approved

Donald E. Johnson
City Manager

1 Attachment

Attachment 1



CITY OF ROYAL OAK BUILDING PERMIT FEE SCHEDULE COMMERCIAL CONSTRUCTION All Commercial Use Groups Effective 6-16-09

PLAN REVIEW FEES

(Must be paid before the plan review process can start)

Plan Review fee = .0015 x construction value for projects. Minimum Plan Review fee of \$100.00.
(Value computed from current Square Foot Construction Costs of International Code Council (ICC))

Note: If the construction project is to renovate the existing building and add an addition, then the fee will be the sum of the two (i.e. – renovation + addition fee).

The Final Plan Review Fee may be higher than above as determined by the Plan Reviewer based upon the actual time required to perform the review. This additional amount, if any, will be due upon completion of the plan review before permits can be issued.

APPROVAL FROM THE PLANNING DEPARTMENT IS REQUIRED IN WRITING BEFORE A PLAN REVIEW WILL BE STARTED. PLEASE SUBMIT ALL ZONING BOARD AND PLANNING COMMISSION LETTERS WITH THE APPLICATION.

COMMERCIAL BUILDING PERMIT FEES

~~ADMINISTRATION FEE~~ ~~_____~~ ~~\$65.00 Plus~~
~~\$1512.00 per \$1000.00 of estimated value of construction or fraction thereof,~~ ~~\$1512.00/\$1000.00~~
~~Up to Less than \$10 Million (rounded to the next highest \$1000.00)~~
~~— or —~~
Plus ~~\$1310.00 per \$100.00 of estimated value of construction or fraction thereof,~~
~~\$1310.00/\$1000.00~~
More than \$10 Million (rounded to the next highest \$1000.00)

Minimum Building Permit Fee: \$200.00

BUILDER'S DEPOSIT – (required on each job): 1% of Construction Value Minimum \$200.00

PERFORMANCE GUARANTEE: Required on all projects involving site improvements
(see Chapter 770, Zoning, Code of the City of Royal Oak)

CONSTRUCTION CODE BOARD OF APPEALS HEARINGS:

Existing Structures Code Board, Plumbing Code Board, Mechanical Code Board,
Electrical Code Board, Fence Board, Commercial Code Board. \$375.00

~~**PENALTY** for buildings occupied prior to issuance of a Certificate of Occupancy ~~_____~~ ~~\$625.00~~~~

STOP WORK:

~~For any work started prior to issuance of a Permit. Maximum \$625.00~~

Attachment 1

REINSTATEMENT OF EXPIRED PERMIT:

50% OF Original Fee

WRECKING OF BUILDINGS:

PERMIT FEES:

Up to Under 30,000 cubic feet-cu. ft., Without Basement	\$200.00
Under 30,000 cu. ft., With Basement	\$250.00
More than 30,000 cubic feet-60,000 cu. ft.	
\$200.00+\$5.00 6.00/1000 cubic feet cu. ft. or fraction thereof over 30,000 cu. ft.	
60,001 cu. ft. or more	\$250.00+\$4.00/1000 cu. ft. or fraction thereof

WRECKING CASH DEPOSIT:

Accessory Structures	\$ 625.00
All Others	\$2500.00

TEMPORARY CERTIFICATE OF OCCUPANCY FEE:

\$625.00

ADMINISTRATIVE POLICIES:

REVISED PLANS AND/OR SUBSTITUTE PLANS:

Fees shall be based on the portion of the work redesigned. A charge for plan review and/or building permit shall be made on all revisions. Minor Addendums to plans that do not alter space or change structural requirements may be exempted from this provision.

CANCELLATIONS AND/OR REFUNDS:

Upon written request, prior to work starting, permits may be canceled by the holder. ~~70%~~ ~~40%~~ of the original permit fee will be refunded, except that not less than \$50.00 shall be retained by the City to cover expenses.

SPECIAL INVESTIGATIONS:

When work requiring a permit is started before a permit is secured, or other special investigations are necessary, a special investigation fee may be required.

REQUEST FOR MEETINGS:

A fee of \$75.00 per inspector, per hour, may be charged depending on the size and scope of the meeting.

RECORD RETENTION:

A \$1.25 per page microfiche fee will be charged for each plan submitted.

RE-INSPECTION FEE: Fees for re-inspection shall be determined by the Building Official.

ALL OTHER SERVICES:

A reasonable fee based on actual costs will be established by the Building Official in each instance.



Attachment 1
CITY OF ROYAL OAK
BUILDING PERMIT FEE SCHEDULE
RESIDENTIAL CONSTRUCTION
Use Group R-4, 1&2 Family
~~Effective 6-16-09~~

Recording of Michigan Residential Builder or	1 year	\$ 25.00
Residential Maintenance and Alteration Contractor's License	2 years	\$ 50.00

PLAN REVIEW FEES (ESTIMATED)*

(Must be paid before the plan review process can start)

NEW HOME CONSTRUCTION

\$450.00

ROOM ADDITIONS/DORMERS:

A.	All additions/dormers up to 400 square feet:	\$100.00
B.	All additions/dormers 401 square feet to 1,000 square feet:	\$250.00
C.	All additions of 1,001 square feet or more:	\$425.00

ALTERATIONS:

Accessory Buildings, Awnings, Decks, Garages, Kitchens, Porches, Pools, Remodeling (with structural changes), Sheds, etc.	\$ 40.00
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*Final Plan Review Fee may be higher than estimated and will be determined by the Building Inspector based upon the actual time required. This additional amount, if any, will be due upon completion of the plan review process and before any permits will be issued.

1 & 2 FAMILY BUILDING PERMIT FEES

~~ADMINISTRATION FEE:~~ ~~\$65.00~~

~~\$1512.00~~ per \$1,000 of estimated cost of construction or fraction thereof ~~\$1512.00/\$1000~~

~~(rounded off to the next highest higher \$1,000)*~~

*Cost computed from current Square Foot Construction Costs of International Code Council (ICC)

Minimum Building Permit Fee: \$100.00

BUILDER'S DEPOSIT - (Required on each job):

	Minimum: \$ 50.00
Additions	\$200.00
New Homes	\$750.00

CONSTRUCTION CODE BOARD OF APPEALS HEARINGS:

Existing Structures Code Board, Plumbing Code Board, Electrical Code Board, Mechanical Code Board, Fence Board, Residential Code Board.	\$375.00
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TEMPORARY CERTIFICATE OF OCCUPANCY FEE

\$625.00

~~**PENALTY** for buildings occupied prior to issuance of a Certificate of Occupancy~~ ~~\$625.00~~

Attachment 1

STOP WORK:

For any work started prior to issuance of a Permit.

Maximum \$625.00

REINSTATEMENT OF EXPIRED PERMIT:

50% OF Original Fee

WRECKING OF BUILDINGS

PERMIT FEES:

1 & 2 Family Dwellings	Under 30,000 cu. ft., Without Basement	\$200.00	\$250.00
	Under 30,000 cu. ft., With Basement		\$250.00
30,000-60,000 cu. ft.:	\$200.00 + \$6.00/1,000 cu. ft. or fraction thereof over 30,000 cu. ft.		
Over 60,000 cu. ft.	\$250.00 + \$4.00/1,000 cu. ft. or fraction thereof		
Garages	(may be waived by Inspector if a new garage is being built at the same time)		\$100.00

WRECKING CASH DEPOSIT:

1 & 2 Family Dwellings	\$1,250.00
Accessory Structures	\$625.00
(May be waived by Inspector if a new garage is being built at same time)	
See demolition information sheet for other requirements	

ADMINISTRATIVE POLICIES

REVISED PLANS AND/OR SUBSTITUTE PLANS:

Fees shall be based on portion of work redesigned. A charge for plan review and/or building permit shall be made on revisions. Minor addendum to plans that does not alter space or change structural requirements may be exempted from this provision, as determined by the plan reviewer.

CANCELLATIONS AND/OR REFUNDS:

Upon written request, prior to commencement of any work, **permits may be canceled** by holder, and **70% of the permit fee will be refunded**, except that **not less than \$50.00 shall be retained by the City** to cover administrative expenses.

SPECIAL INVESTIGATION:

When work requiring a permit is started before a permit is secured, or other special investigations are necessary, a special investigation fee may be required.

REQUEST FOR MEETINGS:

A fee of \$75.00 per inspector, per hour, may be charged depending on the size and scope of the meeting.

RECORD RETENTION:

A \$1.25 per page microfiche fee will be charged for each plan submitted.

RE-INSPECTION FEE – Fees for re-inspections shall be determined by the Building Official.

ALL OTHER SERVICES:

A reasonable fee based on actual costs will be established by the Department Head in each instance.